

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1950 - SB 2181

February 20, 2020

SUMMARY OF BILL: Requires local governments to provide at least 60 days' notice via first class mail to certain property owners prior to a public hearing involving a zoning ordinance adoption or amendment to an existing ordinance. Authorizes certain property owners to bring an action against the local government to have the ordinance or amendment voided.

ESTIMATED FISCAL IMPACT:

Increase Local Expenditures – Exceeds \$30,000/FY20-21 and Subsequent Years*

Assumptions:

- Pursuant to Tenn. Code Ann. § 13-7-105, and § 13-7-203, counties and municipalities are required to publish one notice in a newspaper of general circulation at least 15 days prior to a public hearing on an amendment to a zoning ordinance. Notice requirements within the proposed language are in addition to current notification requirements.
- The proposed language would require notices be sent to any property owner who owns property located in whole, or in part, within the boundary of real property that would be affected by the proposed ordinance or amendment to an existing ordinance. The proposed language does not establish parameters for such boundaries.
- Local governments will maintain lists of property owners who are mailed notification. Maintenance and filing of such lists will not result in any significant fiscal impact to local governments.
- Property owners who are not notified are authorized to bring an action against local governments to void the ordinance or amendment, within one year of the notification requirement not being met.
- This analysis assumes local governments will:
 - Provide notification to a large number of property owners in order to compensate for a lack of boundary parameters and to prevent property owners from claiming notification was not provided;
 - Utilize the bulk rate for first-class mail when sending notices via the United States Postal Service. This postage rate is \$0.46 per item; and
 - Purchase envelopes in bulk at a rate of \$0.14 each.
- While the precise number of zoning ordinance or amendment notices which will be required to be sent in any given fiscal year is unknown, it is reasonably estimated that statewide, 50,000 notices will be sent by local governments annually.

- The proposed language will result in a recurring, mandatory increase in local expenditures estimated to exceed \$30,000 [50,000 notices x (\$0.14 envelope + \$0.46 postage)].

**Article II, Section 24 of the Tennessee Constitution provides that: no law of general application shall impose increased expenditure requirements on cities or counties unless the General Assembly shall provide that the state share in the cost.*

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

/jrh